

**TRANSMITTAL AND NOTICE OF APPROVAL OF
STATE PLAN MATERIAL**

FOR: HEALTH CARE FINANCING ADMINISTRATION

1. TRANSMITTAL NUMBER:
03-14

2. STATE
Minnesota

3. PROGRAM IDENTIFICATION: TITLE XIX OF THE
SOCIAL SECURITY ACT (MEDICAID)

TO: REGIONAL ADMINISTRATOR
HEALTH CARE FINANCING ADMINISTRATION
DEPARTMENT OF HEALTH AND HUMAN SERVICES

4. PROPOSED EFFECTIVE DATE
July 1, 2003

5. TYPE OF PLAN MATERIAL (Check One):

☐ NEW STATE PLAN

☐ AMENDMENT TO BE CONSIDERED AS NEW PLAN

☒ AMENDMENT

COMPLETE BLOCKS 6 THRU 10 IF THIS IS AN AMENDMENT (Separate Transmittal for each amendment)

6. FEDERAL STATUTE/REGULATION CITATION:
42 CFR §447.201(b)

7. FEDERAL BUDGET IMPACT:
a. FFY '03 (\$459.292)
b. FFY '04 (1811.579)

8. PAGE NUMBER OF THE PLAN SECTION OR ATTACHMENT:

Att. 4.19-B, pp.57-57f

9. PAGE NUMBER OF THE SUPERSEDED PLAN SECTION
OR ATTACHMENT (If Applicable):

Att. 4.19-B, pp. 57-57c

10. SUBJECT OF AMENDMENT:

Rates: Mental Health Targeted Case Management

11. GOVERNOR'S REVIEW (Check One):

☒ GOVERNOR'S OFFICE REPORTED NO COMMENT

☐ COMMENTS OF GOVERNOR'S OFFICE ENCLOSED

☐ NO REPLY RECEIVED WITHIN 45 DAYS OF SUBMITTAL

☐ OTHER, AS SPECIFIED:

12. SIGNATURE OF STATE AGENCY OFFICIAL:

// Mary B. Kennedy – signature //

16. RETURN TO:

Stephanie Schwartz
Minnesota Department of Human Services
Federal Relations Unit
444 Lafayette Road No.
St. Paul, MN 55155-3852

13. TYPED NAME:

Mary B. Kennedy

14. TITLE:

Medicaid Director

15. DATE SUBMITTED:

August 6, 2003

FOR REGIONAL OFFICE USE ONLY

17. DATE RECEIVED: 8/6/03

18. DATE APPROVED:

2/9/04

PLAN APPROVED – ONE COPY ATTACHED

19. EFFECTIVE DATE OF APPROVED MATERIAL:

July 1, 2003

20. SIGNATURE OF REGIONAL OFFICIAL:

Cheryl A. Harris

21. TYPED NAME: Cheryl A. Harris

22. TITLE: Associate Regional Administrator
Division of Medicaid and Children's Health

23. REMARKS:

RECEIVED

AUG 6 2003

DMCH - MI/MN/WI

STATE: MINNESOTA
Effective: July 1, 2003
TN: 03-14
Approved: FEB 09 2004
Supersedes: 01-08

ATTACHMENT 4.19-B
Page 57

19.a. **Mental health targeted case management services as defined in, and to the group specified in, Supplement 1 to Attachments 3.1-A/B (in accordance with section 1905(a)(19) or section 1915(g) of the Act).**

Payment is made on a monthly basis. Costs associated with mentoring, supervision and continuing education may be included in the monthly rate. Payment is limited to the components listed in **Supplement 1** to Attachments 3.1-A/B, "Definition of Services."

1. The monthly rate for mental health targeted case management services provided by **state or county staff** is based on an aggregate of time spent performing all elements of case management services. There are separate rates for adults and children.
2. The rate for mental health targeted case management services provided by **a facility of the Indian Health Service (IHS) or by a 638 facility** is made according to the encounter rate specified on page 1 of this Attachment.
3. The rate for mental health targeted case management services provided by **entities under contract with a county, a facility of the IHS, or a 638 facility** is based on the monthly rate negotiated by the county, the IHS facility or the 638 facility. The negotiated rate must not exceed the rate charged by the entity for the same service to other payers.
 - A. If the service is provided by a team of contracted vendors, the county, the IHS facility, or the 638 facility may negotiate a team rate with a vendor who is a member of the team. The team must determine how to distribute the rate among its members. No payment received by contracted vendors will be returned to the county or the IHS facility or the 638 facility, except to pay the county, the IHS facility or the 638 facility for advance funding provided by the county, the IHS facility or the 638 facility to the vendor.

STATE: MINNESOTA
Effective: July 1, 2003
TN: 03-14
Approved:
Supersedes: 01-08

ATTACHMENT 4.19-B
Page 57a

19.a. **Mental health targeted case management services** as defined in, and to the group specified in, **Supplement 1** to Attachments 3.1-A/B (in accordance with section 1905(a)(19) or section 1915(g) of the Act). continued)

- B. If the service is provided by a team that includes contracted vendors, IHS or 638 facility staff, and state or county staff, the costs for state or county staff participation in the team must be included in the rate for county-provided services. In this case, the contracted vendor, the IHS or 638 facility, and the county may each receive separate payment for services provided by each entity in the same month. In order to prevent duplication of services, each entity must document, in the client's file, the need for team mental health targeted case management and a description of the roles of the team members.

Rate Methodology for County and State Staff: July 1, 2000 through June 30, 2003

~~Beginning July 1, 2000,~~ a statistically valid random moment time study, Minnesota's Social Service Time Study (SSTS), is used to construct a monthly rate for mental health targeted case management services. The SSTS separates time of all direct service staff into a number of categories that constitute allowable mental health targeted case management activities and other, unallowable activities. The proportion of allowable to total activities, when multiplied by the overall provider costs, establishes the costs of mental health targeted case management activity.

The percentage of time spent by service staff on allowable mental health targeted case management services for children and adults is applied to the annual costs of providing social services, and divided by twelve to arrive at the eligible cost per month. These figures are divided by the average number of children and adults who received mental health targeted case management services per month. The result is two separate, monthly payment rates for mental health case management, one for children and one for adults.

STATE: MINNESOTA
Effective: July 1, 2003
TN: 03-14
Approved: FEB 09 2004
Supersedes: 01-08

ATTACHMENT 4.19-B
Page 57b

19.a. Mental health targeted case management services as defined in, and to the group specified in, Supplement 1 to Attachments 3.1-A/B (in accordance with section 1905(a)(19) or section 1915(g) of the Act. (continued)

The two rates represent one month's worth of eligible mental health targeted case management activity. Only one claim per client is allowed per calendar month for mental health targeted case management services provided by county and state staff. The rate is the same for medical assistance-eligible and non-medical assistance eligible clients. All of the following conditions must be met in order for a claim to be made:

- the client must be eligible for medical assistance;
- the client received mental health targeted case management services in that month; and
- all documentation requirements are met.

The rate ~~will be~~ is reviewed and updated annually, using the most current, available data.

Rate Formula:

CP = Average Monthly Social Services Cost Pool for the most recent year for that class of providers

P = Percentage of eligible mental health targeted case management time as identified on the most recent year of the SSTS for that class of providers

N = Monthly Average number of clients receiving mental health targeted case management services for that class for providers using the most recent year's worth of data

(CP x P) = Monthly costs of providing mental health targeted case management ~~(TCM)~~ services for that class of providers

~~TCM~~ (CP x P)/N = TCM Mental health targeted case management monthly rate for that class of providers

STATE: MINNESOTA
Effective: July 1, 2003
TN: 03-14
Approved: FEB 09 2004
Supersedes: 01-08

ATTACHMENT 4.19-B
Page 57c

- 19.a. Mental health targeted case management services as defined in, and to the group specified in, Supplement 1 to Attachments 3.1-A/B (in accordance with section 1905(a)(19) or section 1915(g) of the Act. (continued)

Rate Methodology for County and State Staff: July 1, 2003

The SSTS is used to construct a monthly rate for: (1) mental health targeted case management services for children; and (2) (a) mental health targeted case management services for adults and (b) targeted case management services for the group specified in Supplement 1c to Attachments 3.1-A/B. The SSTS separates time of all direct service staff into a number of categories that constitute: (1) allowable mental health targeted case management activities for children; (2) allowable mental health targeted case management activities for adults and allowable targeted case management activities for the group specified in Supplement 1c; and (3) other, unallowable activities. The proportion of allowable to total activities, when multiplied by the overall provider costs, establishes the costs of: (1) mental health targeted case management activity for children; and (2) mental health targeted case management activity for adults and targeted case management activity for the group specified in Supplement 1c.

The percentage of time spent by service staff on allowable: (1) mental health targeted case management services for children; and (2) mental health targeted case management services for adults and targeted case management services for the group specified in Supplement 1c is applied to the annual costs of providing social services, and divided by twelve to arrive at the eligible cost per month. For children, these figures are divided by the average number who received mental health targeted case management services per month. For adults, these figures are divided by the average number who received mental health targeted case management services and targeted case management services listed in Supplement 1c to Attachments 3.1-A/B per month.

The result is two separate, monthly payment rates, one for children and one for adults.

STATE: MINNESOTA
Effective: July 1, 2003
TN: 03-14
Approved: FEB 09 2004
Supersedes: 01-08

ATTACHMENT 4.19-B
Page 57d

19.a. Mental health targeted case management services as defined in, and to the group specified in, Supplement 1 to Attachments 3.1-A/B (in accordance with section 1905(a)(19) or section 1915(g) of the Act. (continued)

The two rates represent one month's worth of eligible targeted case management activity. For children, only one claim per child is allowed per calendar month for mental health targeted case management services provided by county and state staff. For adults, one claim is allowed per calendar month for mental health targeted case management services and one claim is allowed per calendar month for targeted case management services for the group specified in Supplement 1c. The rate is the same for medical assistance-eligible and non-medical assistance eligible clients. All of the following conditions must be met in order for a claim to be made:

- the client must be eligible for medical assistance;
- the client received targeted case management services in that month; and
- all documentation requirements are met.

The rate will be reviewed and updated annually, using the most current, available data.

Rate Formula for Children:

The formula described on page 57b.

Rate Formula for Adults:

CP = Average Monthly Social Services Cost Pool for the most recent year for that class of providers

P = Percentage of eligible: (1) mental health targeted case management time; and (2) targeted case management (described in Supplement 1c to Attachments 3.1-A/B) time as identified on the most recent year of the SSTs for that class of providers

STATE: MINNESOTA
Effective: July 1, 2003
TN: 03-14
Approved: FEB 09 2004
Supersedes: 01-08

ATTACHMENT 4.19-B
Page 57e

- 19.a. Mental health targeted case management services as defined in, and to the group specified in, Supplement 1 to Attachments 3.1-A/B (in accordance with section 1905(a)(19) or section 1915(g) of the Act.
(continued)

N = Monthly Average number of clients receiving either mental health targeted case management services or targeted case management services listed in Supplement 1c for that class of providers using the most recent year's worth of data

(CP x P) = Monthly costs of providing targeted case management services for that class of providers

(CP x P)/N = Targeted case management monthly rate for that class of providers

Interim Rate Methodology: July 1, 1999 through June 30, 2000:

~~Because the mental health targeted case management rates prior to July 1, 1999, are flat, hourly rates for children and adults, the actual percent time of eligible mental health targeted case management services time is not available in the SSTs for the period July 1, 1998 through June 30, 1999. For that reason, from July 1, 1999 through June 30, 2000, the first year of the new methodology, an interim rate will be developed. The interim rate will be determined using county time reported in the Social Services Expenditures and Grant Reconciliation Report (SEAGR) for calendar year 1998, and the total number of clients served will be taken from a special survey conducted April, 1999, for the quarter January through March, 1999.~~

~~In order for a claim to be made for this period, the same conditions must be met as described above as of July 1, 2000.~~

Interim Rate Formula:

~~CP x P(SEAGR) x 1.05 (inflation factor) ÷ N (survey data)~~

STATE: MINNESOTA

ATTACHMENT 4.19-B

Effective: July 1, 2003

Page 57f

TN: 03-14

Approved: FEB 09 2004

Supersedes: 01-08

- 19.a. Mental health targeted case management services as defined in, and to the group specified in, Supplement 1 to Attachments 3.1-A/B (in accordance with section 1905(a)(19) or section 1915(g) of the Act.
(continued)

~~At the end of the interim period (June 30, 2000), the Department will settle-up with the counties, using SSTS data reported during the interim rate period.~~

~~Settle-Up Rate Formula:~~

~~The formula described on page 57b: $CP \times P \div N$.~~